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16 April 1958

MEMORANDUM FOR: GEHA Board of Directors

SUBJECT: Items of Interest in the GEHA Program

1. At a recent meeting of the Steering Committee several items of interest pertaining to the GEHA Insurance Program were discussed for eventual presentation to the Board of Directors. Attached are memoranda pertaining to the problems which are summarized as follows:

a. Memorandum from the Chief, Medical Staff, dated 20 March 1958 entitled, "Comparison of the Benefits of Current Agency Overseas Medical Benefits Program with that Proposed in H. R. 6141". In view of the current Agency Overseas Medical Program and the proposed liberalizing of overseas medical program as set forth in H. R. 6141, the Board must necessarily consider the impact of these programs on our hospitalization insurance program. The overseas medical program will obviously limit the number of employees who have an interest in the GEHA hospitalization program when our employees are serving overseas. Several questions naturally develop, such as (1) the availability of the hospitalization program under GEHA to employees returning from overseas when the Agency overseas medical program no longer applies to the individual, (2) the possibility that employees may be interested in a policy covering catastrophic hospitalization costs while serving overseas or (3) keeping the GEHA hospitalization to offset the \$35 deductible charge for dependents under the present overseas medical program. It should be noted that under H. R. 6141 the charges and rates, if the bill is passed, are to be prescribed by the President. This program must be considered by the Board in light of its impact on our hospitalization program.

b. [] has advised that a heavy burden falls on his office each month in sending out delinquent notices. He has proposed a solution to this problem in his memorandum of 25 March 1958. This is a problem which affects the Board

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from a policy standpoint and the Office of Personnel from an operational standpoint and some solution should be arrived at.

c. In a memorandum of 8 April 1958 from [] and a memorandum from the Deputy Director (Support) dated 27 March 1958, a problem is developing in the emergency travel insurance. The members of the Board should be aware of this matter and a report will be submitted at the next meeting of the Board.

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2. In regard to the advice given [] Office of General Counsel, by the Superintendent of Corporations, District of Columbia Government, that GEHA is incorporated under the wrong section of the District Code and consequently, the Superintendent refused to accept the amendments to the Certificate of Incorporation voted upon by the Board at its last meeting. This matter has been considered by the Steering Committee and [] has been making inquiries of other similar type insurance organizations in Washington and has consulted with various officials of the District Government. It appears that NSA, which recently established an insurance program similar to GEHA, is incorporated under the same section of the District Code as is GEHA, and was approved by the Superintendent of Corporations who challenged our status of incorporation. On the basis of information developed at this time, it appears that an answer may be forthcoming through a meeting with the District of Columbia Corporation Counsel who will be asked to rule on the validity of our status as a corporation, particularly in view of the inconsistency of opinion of the Superintendent of Corporations. As further information on this is developed, the members of the Board will be informed.

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Acting Director of Security

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MEMORANDUM FOR:

Chairman, Board of Directors,

SUBJECT:

: Comparison of the Benefits of Current Agency Overseas Medical Benefits Program with that Proposed in H.R. 6141

1. As requested at the 14 March 1958 meeting of the Steering Committee, attached is a comparison of the overseas medical benefits available to employees and their dependents under the current Agency program with those benefits that would be available if H.R. 6141 (the "Morrison Bill") is enacted.

2. The current Agency program is based on Public Law 110 (81st Congress) and Public Law 523 (84th Congress). The former, of course, is the Central Intelligence Agency Act, whereas the latter is the 1956 act that amended the Foreign Service Act to provide certain overseas medical benefits to Department of State Foreign Service personnel and their dependents. On 21 September 1956 the Acting Director approved the recommendation of the General Counsel that the Agency provide the same privileges and services authorized in Public Law 523 to its own overseas personnel and their dependents. Following this approval, the Medical Staff and the Office of Personnel jointly drafted the Agency regulatory issuances [redacted] et al) that will cover this liberalized program; these drafts have been forwarded to the Deputy Director (Support) for Agency coordination.

3. In this comparison I have not listed such general points as the authority to perform "pre-employment" physical examinations on dependents, and authority to assign physicians overseas; rather, I have confined this comparison to those points that would be of more personal interest to an Agency employee and his dependents. Finally, if H.R. 6141 is enacted, the President will undoubtedly cause implementing regulations or directives to be issued. Accordingly, the full and precise implications of H.R. 6141, particularly as to procedures and rates, will not be known until such time.

JOHN R. TIERNEY, M.D.
Chief, Medical Staff

Enclosure:

As stated above

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COMPARISON OF BENEFITS

CONTRACT AGENCY PROGRAM

Applies to employees, and their dependents, who are assigned to a permanent duty station abroad.

Authorizes care for illness or injury requiring hospitalization, provided it is not the result of vicious habits, intemperance, misconduct, negligence, or the result of taking an unwarranted risk.

Authorizes travel of individual, and if necessary an attendant, for hospitalization whenever the illness or injury is incurred in a locality where no suitable hospital or facility for treatment in lieu of hospitalization exists.

Exclusions:

- (1) Normal pregnancy;
- (2) Elective correction of conditions that existed prior to overseas assignment; and all other elective procedures except with prior headquarters approval;
- (3) Ordinary dental care.

Charges:

- (1) For employee: None
- (2) For dependent: The amount of the actual charges up to \$35.

H.R. 6141

Applies to employees, and their dependents, who are in an overseas area, whether on a temporary or permanent assignment or in a travel status.

Authorizes out-patient care or in-patient hospital care, provided the in-patient hospital care is for an illness, injury or other condition that is not the result of vicious habits, intemperance or misconduct.

Authorizes travel of individual, and if necessary an attendant, for out-patient or in-patient hospital care whenever there is no suitable medical facility in the immediate area.

Exclusions:

None.

Charges:

- (1) For employee: None
- (2) For dependent:
 - a. Out-patient care:
At such charges as may be prescribed by the President.
 - b. In-patient hospital care:
In a Government hospital or clinic, at a fixed daily rate prescribed by the President; in a private hospital, for each admission, (i) the amount of the actual charges up to \$25, or (ii) an aggregate amount

CURRENT AGENCY PROGRAM

H.R. 6141

equal to the daily rate prescribed by the President for a Government hospital or clinic multiplied by the number of days hospitalized, whichever amount is greater.

Limitation:

Maximum period of hospitalization for dependent is 120 days for each illness or injury unless this is waived by determination that the illness or injury was clearly caused by the fact that dependent is or has been located abroad.

Limitation:

Same 120 days limitation with waiver provision for dependent as in current Agency Program.

**MEMORANDUM FOR: Chairman, GEHA, Incorporated, Board
of Directors, and the Director of Personnel**

SUBJECT: Delinquent Insurance Notices

1. Currently between 700 and 800 delinquent insurance notices are sent out monthly to headquarters personnel. This takes about two to three weeks time of one employee every month.
2. This additional service has been provided even though the employee's payment card states, "Remember the responsibility for making timely payments is YOURS."
3. The following are recommended solutions to this problem in the order of my preference.
 - a. Get out publicity and issue an Agency Notice to the effect that after a stated date no further delinquent notices will be issued on any premiums paid on a monthly basis. Notices will be issued only where premiums are paid quarterly, semi-annually or annually.
 - b. Since a record is kept by notations on the card, those insured's receiving three delinquent notices in a year, not necessarily in succession, should be advised that they will no longer receive any delinquent notices.

**President,
Government Employees Health Association
Incorporated**

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Distribution:

- O&3 - Addressee**
- 1 - D/Pers**
- 1 - C/Insurance Branch**
- 2 - MCD**

MEMORANDUM FOR: Director of Personnel

SUBJECT : Overseas Emergency Travel

1. During the course of a meeting with the DD/P Area Division Support Chiefs today, the question of emergency travel for overseas personnel was discussed at considerable length. The question came up in connection with a change in MATS procedure to be effective 1 July 1958 whereby employees overseas will no longer be permitted to travel by MATS on a "space-available" basis free of charge. It was the consensus of the group that this change will increase our problems significantly, especially at the larger stations where our employees have been able to utilize MATS facilities. As one example, I am told that last year in [redacted] Agency employees arranged for emergency trips back home through MATS. STATINTL

2. The emergency travel insurance coverage available through GEHA is deficient in many respects, one of the biggest deficiencies being the fact that it does not cover travel in cases where the emergency involves persons seventy (70) years of age or older. The Public Service Aid Society might in rare cases be called upon to assist individuals in such emergencies but here again the use would be extremely limited. The Credit Union facilities, of course, are available provided the individual does not already have an outstanding loan and provided he can obtain the necessary co-signers. One suggestion made was that we approach GEHA with the proposition of increasing the coverage, i.e., waiving the age limitation on persons covered with the understanding, of course, that premium payments would necessarily have to be increased.

3. I wish you would look into this matter promptly and see if something can be worked out to alleviate this problem, which has plagued us for a long time.

L. K. WHITE
Deputy Director
(Support)

MEMORANDUM FOR: Director of Personnel

SUBJECT: Overseas Emergency Travel

REFERENCE: Memorandum to D/Pers from DD/S dated
27 March 1958, same subject

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1. In checking with [] initiator of the referenced memorandum, he stated that the age 70 limitation was the only deficiency in the Emergency Travel Plan.

2. I then called Mr. Howard de Franceaux, broker for the Emergency Travel Insurance underwritten by the American International Underwriters, and asked if the age limit could be raised with an increase in premium. He informed me he was going to New York this week to "fight" for continuance of the program, that because of the small volume and the high incident of claims, the program has been losing money and any attempt to liberalize the policy would be impossible at this time.

3. The new rule of MATS will also affect the Department of Defense and I understand they are considering taking on the Emergency Travel Insurance Program. This might provide a larger volume thus making the policy more sound and paving the way for liberalizations at some future time.

4. As noted in paragraph 2 of the reference, Credit Union facilities are available, and a wife might be acceptable as a co-signer. Further, if legally possible, arrangements might be made to accept the Public Service Aid Society as a co-signer.

[]
Chief, Benefits and Casualty Division

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0 & 1 - Addressees

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